Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Petition for Expedited Interim Waiver of the Commission's Assessment Rule of the End User Common Line Charge on Certain T-1 Exchange Access Services	)	**RM No. 10603**

REPLY OF SPRINT CORPORATION

On August 19, 2003, in RM 10603, various telephone industry groups filed a petition for expedited interim waiver of section 69.104 of the Commission's rules "to permit the application of no more than five [End User Common Line (EUCL or SLC)] charges to T-1 interfaces for which the customer supplies the terminating channelization equipment."[1] On September 25, 2003, several parties[2] filed comments regarding the petition. Sprint Corporation, on behalf of its incumbent local exchange ("ILEC"),

[1] National Exchange Carrier Association, Inc. Petition to Amend Section 69.104 of the Commission's Rules, RM 10603, Joint Petition for Expedited Waiver (filed August 19, 2003) (Waiver Petition) (the Joint Petitioners are Eastern Rural Telecom Association, Independent Telephone and Telecommunications Alliance, John Stuarulakis, Inc., Matanuska Telephone Associations, Inc., National Exchange Carrier Association, Inc. (NECA), National Telecommunications Cooperative Association, Organization for the Promotion and Advancement of Small Telecommunications Companies, TDS Telecom, United States Telecom Association, and Western Alliance).

[2] AT&T, TDS, Great Plains Communications, Inc., GVNW, Inc., Matanuska Telephone Association, Inc., and (jointly) Arlington Telephone Company, The Blair Telephone Company, Eastern Nebraska Telephone Company, Rock County Telephone Company, Hershey Cooperative Telephone Company, City of Faith Municipal Telephone Company, Kennebec Telephone Company, Roberts County Telephone Cooperative Association, RC Communications and Northwest Telephone Cooperative Association filed comments on September 25, 2003.

competitive LEC ("CLEC")/long distance, and wireless divisions, opposes the petition and is supportive of comments made by AT&T.

This petition is nothing more than an ill-disguised attempt to gain additional receipts from the Universal Service Fund (USF), specifically, the Interstate Common Line Support (ICLS) Fund, for the petitioners. Sprint concurs with AT&T's comments that the petitioners can voluntarily reduce EUCL charges for channelized T-1 service (AT&T at 4) to alleviate their "overcharging"[3] concerns. If petitioners' sole objective was to mitigate their current "overcharging" practices through voluntary EUCL reductions, no waiver petition would be required. The petitioners could manage this process through internal pricing changes and would not need to utilize the resources of the Commission. Instead, the real effect of the waiver they seek would be to recover this revenue loss from the telecommunication-consuming public in the form of increased disbursements from the ICLS component of the Universal Service Fund.

Sprint notes that petitioners do not allege an earnings shortfall or claim they would experience an earnings shortfall by reducing channelized T-1 EUCLs. Petitioners are rate-of-return regulated companies. This regulatory framework was established to accommodate the type and magnitude of revenue reductions that would result from reducing channelized T-1 EUCLs from 24 to 5. To the extent these companies are earning in excess of the federal benchmark rate of 11.25%, the revenue reduction will ameliorate overearnings. In fact, petitioners state that the revenue impact would be

[3] The NECA petition at 3, 6-7, and Matanuska Telephone Association, Inc. comments at 6 both claim that customers are being overcharged at current rates.

minimal (NECA petition at 8). Therefore, corresponding earnings reductions should also be minimal. In any event, it is certainly not in the public interest to allow the petitioners to replace foregone EUCL revenues at the expense of consumers nationwide when the petitioners' rate-of-return regulation provides them the ability to increase rates charged to their own customers, if necessary, to avoid an earnings shortfall.

It is worth noting that the petitioners have been among the most vocal regarding the need to contain the size of the USF in the Commission's Universal Service Docket (CC Docket No. 96-45).[4] For the petitioners to seek to shift EUCL revenue recovery to the USF within the context of the current USF proceedings begs the question of whether the petitioners truly seek to control the growth of the USF or whether they seek only to keep competitors from receiving USF monies while they attempt to increase their own receipts from the USF.

[4] The record in CC Docket No. 96-45 is replete with a multitude of filings submitted by petitioners urging the Commission to limit the size of the USF. A few examples include OPASTCO comments in DA 03-2621, September 4, 2003; OPASTCO Portability Comments filed May 5, 2003; OPASTCO white paper, *Universal Service in Rural America: A Congressional Mandate at Risk*, January 2003; ITTA ex parte filed September 11, 2003; and NTCA ex parte filed September 16, 2003.

The waiver petition should be denied.

Respectfully submitted,

SPRINT CORPORATION

By _____

Jeffrey L. Lindsey
Richard Juhnke
401 Ninth Street, NW
Suite 400
Washington, DC 20004
202-585-1921

October 10, 2003

CERTIFICATE OF SERVICE

I hereby certify that a copy of Sprint Corporation's Reply to Waiver Petition filed in Public Notice DA 03-2732, was sent by United States First Class Mail, postage prepaid, and/or electronic mail on this the 10th day of October, 2003 to the following parties.

Sharon Kirby

Sharon Kirby

BY ELECTRONIC COMMENT FILING SYSTEM

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th St, SW
Room TW-B204
Washington, DC 20554

BY ELECTRONIC MAIL

Tamara Preiss
Pricing Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Jay Atkinson
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Judy Nitsche
Pricing Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Douglas Slotten
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Qualex International
Portals II
445 12th St, SW
Room CY-B402
Washington, DC 20554

Gene Gold
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Jeremy Marcus
Wireline Competition Bureau
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

BY FIRST CLASS MAIL

Ralph Frye
Board Member
ERTA
P.O. Box 205
Colonial Heights, VA 23834

David W. Zesiger
Executive Director
ITTA
1300 Connecticut Avenue, NW, Suite 600
Washington, DC 20036

Emmanuel Staurulakis
President
JSI, Inc.
6315 Seabrook Road
Seabrook, MD 20706

Donald Reed
Dir., Regulatory Affairs & Carrier Relations
Matanuska Telephone Association, Inc.
1740 S. Chugach Ave.
Palmer, AK 99645

Richard A. Askoff
NECA, Inc.
80 South Jefferson Road
Whippany, NJ 07981

Leonard Cali
Lawrence J. Lafaro
Judy Sello
AT&T
Room 3A229
One AT&T Way
Bedminster, NJ 07921

Marie Guillory
General Counsel
NTCA
4121 Wilson Boulevard, 10th floor
Arlington, VA 22203

Stuart Polikoff
Director of Government Relations
OPASTCO
21 Dupont Circle, NW, Suite 700
Washington, DC 20036

Jeff Jung
Dir., Regulatory Settlements & Costing
TDS Telecom
P.O. Box 5158
Madison, WI 53705-0158

Lawrence E. Sarjeant
Indra Sehev Chalk
Michael T. McMenamin
Robin E. Tuttle
USTA
1401 H Street NW, Suite 600
Washington, DC 20005

Jack Rhyner
President/CEO TelAlaska, Inc.
Chair, WTA Government Affairs
Committee / Western Alliance
P.O. Box 5655
Helena, MT 59604

Susan J. Bahr
Law Offices of Susan Bahr, PC
P.O. Box 86089
Montgomery Village, MD 20886-6089
Counsel for
Great Plains Communications

Jeff Smith
Ass't Office Manager – Western Region
GVNW Consulting, Inc.
8050 SW Warm Springs St, Suite 200
Tualatin, OR 97062

Sheryl Todd
Telecom. Access Policy Div., WCB
Federal Communications Commission
445 12th Street SW, Room 5-B540
Washington, DC 20554